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Notice of Extraordinary Losses with the Application of “Accounting Standards for Measurement of Inventories”

Kenwood Corporation (hereinafter referred to as KENWOOD) has recognized extraordinary losses for the first quarter of the fiscal year ending March 2009 (from April 1 to June 30, 2008) as follows. Since the non-consolidated extraordinary losses fall under the timely disclosure items stipulated by the Tokyo Stock Exchange, KENWOOD hereby notifies you of those extraordinary losses.

1. Details of Extraordinary Losses and Reason for Their Occurrence

With the application of the “Accounting Standards for Measurement of Inventories” (Accounting Standards Board of Japan Report No. 9, July 5, 2006) from the first quarter of the fiscal year ending March 2009, KENWOOD changed the valuation method of inventories.

As a result of this change, KENWOOD has recognized extraordinary losses of JPY481 million on a non-consolidated basis and extraordinary losses of JPY740 million on a consolidated basis for the current first quarter.

2. Influence on Earnings

The aforementioned extraordinary losses (on a consolidated basis) are reflected in the “Consolidated Summary Report for the First Quarter of Fiscal Year Ending March 2009” which was announced today. Since the extraordinary losses are within the scope assumed at the beginning of the fiscal year, they have no influence on the consolidated earnings projections for the fiscal year ending March 2009, officially announced on May 12, 2008.